## Message Text

PAGE 01 STATE 103629 15 **ORIGIN EB-07** INFO OCT-01 EA-06 ISO-00 AID-05 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01 TAR-01 L-02 H-02 DOTE-00 PA-01 USIA-06 PRS-01 OES-03 FEA-01 /085 R DRAFTED BY EA/RA:RLWALKINSHAW:EB/OT/STA:WTDIROL APPROVED BY EB/OT/STA:WCLARK,JR EA/J:WPIEZ EA/EP:RWHITE EB/OT:BREDECKER ----- 012147 R 030017Z MAY 75 FM SECSTATE WASHDC TO AMEMBASSY TOKYO LIMITED OFFICIAL USE STATE 103629

TAGS: ETRD, JA, ELAB

E.O. 11652: N/A

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SUBJECT: REPORTED U.S. PROTECTIONIST PRESSURES RE IMPORTED AUTOS

REF: TOKYO 5656 STATE 92035

1. AFL/CIO AND UAW REPRESENTATIVES RESPONSIBLE FOR LEGISLATIVE MATTERS HAVE ADVISED US THAT THE JAPANESE PRESS ACCOUNT (PARA 2 REFTEL) IS ESSENTIALLY CORRECT. THEY INFORMED US THAT THE UAW HAD SUPPORTED THE AFL/CIO PROPOSAL

WHICH AMONG OTHER THINGS, CALLED FOR THE ESTABLISHMENT OF A LIMITED OFFICIAL USE

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TARIFF QUOTA ARRANGEMENT BASED ON THE PROPORTION OF UNITED

STATES ORIGIN COMPONENTS INCORPORATED IN A FOREIGN VEHICLE IMPORTED INTO THE UNITED STATES. THE TARIFF QUOTA WOULD BECOME EFFECTIVE ONCE A DETERMINATION HAD BEEN MADE THAT UNEMPLOYMENT IN THE UNITED STATES HAD BEEN IN EXCESS OF 6 PERCENT FOR THREE CONSECUTIVE MONTHS (THE UNION HAD INITIALLY PROPOSED THAT THE ARRANGEMENT BECOME EFFECTIVE WHEN UNEMPLOYMENT EXCEEDED 4 1/2 PERCENT) AND WOULD BE ADMINISTERED ON A MONTHLY BASIS. UNDER THE TARIFF QUOTA ARRANGEMENT, THE PRESENT DUTY OF 3 PERCENT AD VALOREM WOULD APPLY TO MONTHLY IMPORTS OF 125,000 VEHICLES (1.5

MILLION UNITS ANNUALLY); THEREAFTER ANY MONTHLY IMPORTS IN EXCESS OF THAT AMOUNT WHICH DURING THE FIRST YEAR OF OPERATION DID NOT INCORPORATE COMPONENTS OF UNITED STATES ORIGIN EQUIVALENT TO AT LEAST 10 PERCENT (50 PERCENT AT THE BEGINNING OF THE FIFTH YEAR AFTER THE INSTITUTION OF THE SYSTEM) OF THE TOTAL VALUE OF THE VEHICLE WOULD BE SUBJECT TO AN ADDITIONAL DUTY OF 10 PERCENT.

- 2. AFL/CIO SOURCE WITH WHOM WE RAISED MATTER POINTED OUT THAT THE UNION DOES NOT CONSIDER THIS AN INTERNATIONAL ISSUE. HE SAID THAT THIS PROPOSAL WAS DESIGNED TO HELP DEAL WITH THE ECONOMIC CRISIS NOW FACING AMERICAN WORKERS AND THAT AS FAR AS AFL/CIO IS CONCERNED IT IS DESIGNED FOR DOMESTIC SURVIVAL. THIS, WE WERE TOLD, WAS RESPONSE MADE TO THE JAPANESE LABOR ATTACHE IN WASHINGTON WHEN HE EXPRESSED CONCERN TO AFL/CIO OFFICIALS.
- 3. THE AFL/CIO TARIFF QUOTA PROPOSAL WAS CONSIDERED AS AN AMENDMENT TO THE ENERGY CONSERVATION AND CONVERSION ACT OF 1975 (H.R. 5005) BY THE WAYS AND MEANS COMMITTEE ON APRIL 30 BUT WAS REJECTED BY A VOTE OF 28 TO 7. EMBASSY SHOULD EMPHASIZE SIZE OF OPPOSITION VOTE AND OUR HOPE THAT THIS ISSUE IS NOW BEHIND US.
- 4. SEE SEPTEL REPORTING STATUS WAYS AND MEANS CONSIDERATION OF THIS AND RELATED ISSUES. KISSINGER

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## Message Attributes

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**Current Classification: UNCLASSIFIED** 

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To: TOKYO

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